THE COMMITTEE ON GOVERNMENT EFFICIENCY AND OPENNESS OF THE CITY COUNCIL OF THE CITY OF SAN DIEGO

ACTIONS FOR MONDAY, SEPTEMBER 12, 2005, AT 9:00 A.M.

**COUNCIL CHAMBERS (12TH FLOOR), CITY ADMINISTRATION BUILDING 202 C STREET, SAN DIEGO, CALIFORNIA

For information, contact Kevin Smith, Council Committee Consultant 202 C Street, 3rd Floor, San Diego, CA 92101 Email: kssmith@sandiego.gov 619-236-6616

<u>NON-AGENDA PUBLIC COMMENT</u>: Ian Trowbridge: Stated that CCDC operates under a secret government model and that CCDC wants to change the downtown community plan. Noted that CCDC often provides the City Council with half-truths.

<u>NON-AGENDA PUBLIC COMMENT</u>: Kathleen Blavatt: Voiced concern over the lack of representation of District Two communities while important items are coming before the City Council.

NON-AGENDA PUBLIC COMMENT: Maggie Valentine, committee member, North Bay Project Area Committee (PAC): Noted that there has been discussion regarding the privatization of redevelopment in San Diego. The Redevelopment Agency asked the North Bay PAC to vote on this issue without any backup information. Stated that there needs to be further restrictions on Redevelopment Agency powers.

<u>NON-AGENDA PUBLIC COMMENT</u>: Valentina Hernandez, City Heights Planning Committee, City Heights Project Area Committee (PAC): Stated that our children are our future. Stated that the City Heights Model School project needs to be scaled down. Neighborhoods are getting so expensive that people are being forced to leave because of high property taxes and expensive mortgages.

<u>NON-AGENDA PUBLIC COMMENT</u>: Theresa Quiroz: Stated that when applying for grants it is a detriment to involve the City of San Diego because the City has lost all credibility due to the city's tendency to abuse grant funding.

<u>NON-AGENDA PUBLIC COMMENT</u>: Cynthia Conger, Chair, Peninsula Planning Committee: Discovered that the city has been using a zero-based management program in some city departments. This program gives city staff the wrong impression that the private developer is their client instead of the public.

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NON-AGENDA PUBLIC COMMENT: Commander Bert Decker, USN, ret.: Noted that Supreme Court Justice Sandra Day O'Connor issued the correct opinion on the eminent domain issue and that Donna Frye and Kathy Blavatt are continuing to fight for the people on that issue.

COMMITTEE COMMENT:

ACTION: None received.

CITY ATTORNEY COMMENT:

ACTION: None received.

CITY MANAGER COMMENT:

ACTION: None received.

ADOPTION AGENDA

Approval of the Record of Action Items for August 8, 2005.

Public Comment: None received

ACTION: Motion by Councilmember Maienschein, second by Chair Frye, to adopt the August 8, 2005, minutes.

VOTE: 2-0; Frye-yea, Atkins-not present, Maienschein-yea

ITEM-1: Review of the EMINENT DOMAIN PROCESS.

PUBLIC COMMENT: Maggie Valentine: Eminent domain abuse is rampant throughout the city. It has been used on property owned by her family three times. Property owners never get full value for their property. The process is not fair for private property owners.

PUBLIC COMMENT: Patti Rank: Voiced concern about safety issues regarding eminent domain. Feels redevelopment areas do not pay their fair share of property taxes that go towards public agencies.

PUBLIC COMMENT: Greg Morales: Stated that developers have declared that half of San Diego is blighted. The majority of San Diegans cannot afford housing

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in the city. CCDC affects the lives of over 57,000 Latinos, but there is no Latino representation on the CCDC Board. Allowing developers to continue building overpriced housing in San Diego contributes to an increase in our poverty level.

PUBLIC COMMENT: Valentina Hernandez: Stated that her neighborhood is included in the City Heights Model School project. Commented that taking property from people will create more homelessness and will force people to leave San Diego. Eminent domain in San Diego needs to be reduced.

PUBLIC COMMENT: Mignon Scherer, Peninsula Planning Committee member: Stated that her property is threatened by the new airport expansion plan. The area in question in Point Loma is not blighted.

PUBLIC COMMENT: Lawrence Daley, representing the Daley Family: Stated that he has been impacted by eminent domain. Other cities and states have been implementing restrictions on the eminent domain process and hopes the City Council will do the same.

PUBLIC COMMENT: Jim Varnadore: Stated that eminent domain had a good balance to it prior to the Kelo ruling which has changed the definition of "public use." Urged committee to be thoughtful and discuss the definition of public use.

PUBLIC COMMENT: Edward Teyssier: Stated that his family has experienced eminent domain abuse. The threat of eminent domain is commonly used in redevelopment areas. The city must get more tax dollars back from Sacramento.

PUBLIC COMMENT: Jarvis Ross: Stated that the eminent domain process, originally used to fight real blight, is now used to take property from the less wealthy and less influential. Eminent domain must be brought under control.

PUBLIC COMMENT: Fred Schnaubelt, Citizens for Private Property Rights: Stated that eminent domain is \$10 word for "theft." Noted that Supreme Court Justice John Paul Stevens stated that he would oppose the court's decision as a legislator. According to the founding fathers, private property cannot be taken for a non-public use.

PUBLIC COMMENT: Mel Shapiro: Stated that the eminent domain discussion should be heard by the full City Council. The Redevelopment Agency often offers property owners much less than their properties are worth.

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PUBLIC COMMENT: Deanna Spehn, representing State Senator Christine Kehoe: Referenced a number of bills in Sacramento that have been written to address the eminent domain problem. On August 17, Senator Kehoe held a hearing regarding changes in eminent domain law. Senator Kehoe will hold two more public forums on eminent domain.

PUBLIC COMMENT: Commander Bert Decker, USN, ret.: Stated that he is a former member of the North Bay Project Area Committee. He cited a specific example of how the eminent domain process is unfair to private property owners in which property owners were not contacted regarding the redevelopment of their property. He also thanked God for the Second Amendment.

PUBLIC COMMENT: Dennis Wood: Stated that eminent domain must be limited for public use projects.

PUBLIC COMMENT: Jody Carey: Stated that he is currently fighting the City Heights Model School project because it threatens his property. Design of the project was done without public notice. Noted that the JPA was approved by the City Council and that JPA meetings have not been publicly noticed. Stated that Deputy Mayor Atkins refuses to meet with him regarding his situation.

PUBLIC COMMENT: David Parsons, Crossroads Project Area Committee member: Stated that the PAC voted to exempt single family homes and some condo projects from eminent domain. Believes that eminent domain is a needed tool in redevelopment areas. Asked committee not to fall prey to the hysteria surrounding the Kelo ruling.

PUBLIC COMMENT: Linda Carol Chase: Ceded time to Jody Carey.

PUBLIC COMMENT: Kathleen Blavatt: Stated that redevelopment has taken a toll on San Diego. Very nice areas of Point Loma have been declared blighted. Believes that taking people's property from them is just plain wrong.

PUBLIC COMMENT: Cynthia Conger, Chair, Peninsula Planning Committee: Stated that redevelopment hurts individual property owners and helps large developers. Eminent domain is used as a threat by redevelopment agencies and the Development Services Department.

PUBLIC COMMENT: Laura Riebau: Stated that private property should only be allowed to be seized for public use. San Diego redevelopment areas are

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implemented fraudulently. The GE&O committee should look into how many buildable acres are in the redevelopment areas.

PUBLIC COMMENT: Ian Trowbridge: Stated that in Fiscal Year 2005, CCDC received \$65 million in property taxes, but only represents 27,000 residents. The rest of San Diego received \$200 million in property taxes, which breaks down to \$2,000 per resident of the downtown redevelopment area vs. \$160 per resident of the remainder of the city for public safety uses. Believes that redevelopment areas enrich themselves at the expense of the rest of the city.

PUBLIC COMMENT: Fran Zimmerman: Stated that the City Heights Model School project was touted by Assemblymember Kehoe and Councilmember Atkins. Believes that condemnation on behalf of a public school project is an acceptable use of eminent domain, however, this project was not just about building a school, but was also designed to build market rate housing as well.

ACTION: Motion by Chair Frye, second by Councilmember Maienschein, to:

Direct the City Manager, City Attorney and the Redevelopment Agency to return to the GE&O Committee with an analysis of the impact of the following suggestions for improvement to city eminent domain policy and recommendations for implementing them:

- 1. Redefine the term "public use" to exclude the use of eminent domain for taking private property for private gain and return to the GE&O committee with draft language within 45 days.
- 2. Exercise more control over purchase negotiations by using third party mediators or other unbiased individuals to ensure that property owners are not threatened, intimidated, or taken advantage of;
- 3. Provide a meaningful owner participation process to ensure that small business and homeowners are treated as valued members of the community;
- 4. Propose options to implement a consistent and fair process that forces developers to demonstrate in writing that they have offered private property owners fair market value for any property before the eminent domain process can begin;
- 5. Realtors should be educated about what it means to buy property in a designated redevelopment area and should be required to disclose that fact to new property purchasers;

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- 6. Disposition and Development Agreement negotiations should be a matter of public record, not done in secret, with no notice to the public;
- 7. The Polanco Act should be used responsibly and only where there is a specifically identified contaminant which must be cleaned within the immediate future;
- 8. The city must be required to support its findings with actual evidence rather than conclusory statements;
- 9. Develop a system that ensures property owners will be offered fair compensation for their property on a consistent basis;
- 10. Allow private property owners displaced or relocated by condemnation to take their prior ownership tax basis with them to their new property.

VOTE: 2-0; Frye-yea, Atkins-not present, Maienschein-yea

ITEM-2: Updating Council Policy 300-06 to include a MANDATORY DISCUSSION OF UNFUNDED ACCRUED ACTUARIAL LIABILITY (UAAL) PRIOR TO MEET AND CONFER SESSIONS.

ACTION: Motion by Councilmember Maienschein, second by Chair Frye to continued this item to September 26, 2005.

VOTE: 2-0; Frye-yea, Atkins-not present, Maienschein-yea

Donna Frye Chair